



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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July 31, 2002

TO: Lowell P. Braxton, Director

THRU: Mary Ann Wright, Associate Director *MAW*

THRU: Wayne Hedberg, Permit Supervisor *WH*

FROM: Tom Munson, Senior Reclamation Specialist *TM*

RE: Request for Approval of Form and Amount of Reclamation Surety and Replacement Reclamation Contract, Tintic Utah Metals, LLC, Apex/Burgin Mine, M/049/009, Utah County, Utah

On August 14, 2001, Tintic Utah Metals submitted a plan amendment to utilize an area of the site for Dry Stack Tailings. Before receiving final approval of the amendment, the operator initiated construction and use of the Dry Stack Tailings area. A Notice of Non-Compliance and Division Directive to cease operations on this new area was subsequently issued in February 2002. Partial mitigation of the Non-Compliance required the operator to post a \$60,400 reclamation surety for this new area. On March 20, 2002, Tintic Utah Metals provided a \$60,400 Certificate of Deposit to the Division issued by Zions Bank.

The Division requested a replacement Reclamation Contract that was subsequently received on July 10, 2002. The revised contract is tied to the entire Apex/Burgin mine complex including the Dry Stack Tailings amendment. Tintic Utah Metals previously posted a \$350,000 reclamation surety for the Apex/Burgin complex when they purchased the site from Sunshine Mining Company (copy of two CD's with cover letter attached). The total bond amount is now \$410,400.

Recently, the operator supplied updated maps of the entire mine complex so that we can perform a standard five-year review and escalation of the older \$350,000 surety amount. In January 2002, a partial release of three areas not constructed under the approved permit was granted. The release of these three areas, the addition of the Dry Stack Tailings amendment, and a standard 5-yr escalation, may result in some adjustment to the current \$410,400 reclamation surety amount. On April 2, 2002, Tintic Utah Metals notified the Division that effective March 29, 2002, all mining and milling operations were being suspended at the site until further notice.

If you are in agreement with the acceptance of the \$60,400 reclamation surety for the Dry Stack Tailings amendment, and the replacement Reclamation Contract at this time, please sign and date the documents as indicated (Reclamation Contract, CD cover letter, Zions Bank signature card).

Thank you for your consideration of this request. If you have any questions in this regard, please contact me.

jb
Enclosure: MR-RC & surety
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*agree LAB
8-5-02*